

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7319

BILL NUMBER: HB 1323

NOTE PREPARED: Dec 30, 2004

BILL AMENDED:

SUBJECT: Political Calls to a Number on the Do Not Call List.

FIRST AUTHOR: Rep. Pflum

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a candidate, a political committee, or another person acting on behalf of a candidate or a committee may not make a telephone call to a telephone number on the "do not call" list to communicate a message relating to an election. It provides that a political committee or a person acting on behalf of a political committee may not make a telephone call to a telephone number on the "do not call" list to communicate a message in support of or in opposition to a public question. The bill also provides that a telephone solicitation for a political contribution may not be made to a telephone number on the "do not call" list.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill adds certain political solicitations to the list of telephone solicitation calls that are prohibited to be made to those numbers included on the do-not-call list. The Consumer Protection Division of the Attorney General's Office compiles the list and is responsible for investigating complaints related to violations of the list. This bill increases the potential for violations to occur. The fiscal impact to the Division is dependent on the number of additional complaints received and investigated as a result of prohibiting political solicitation calls. It is expected the impact will be minimal given the Division's current budget. The Division uses the Telephone Solicitation Fund to administer the do-not-call list.

Background: According to the Division, approximately \$701,000 was spent on administering the do-not-call list and other expenses in FY 2004. The projected budget for FY 2005 is \$759,000. As of June 2004, there were a total of 1,534,858 subscribers on the list, of which 188,404 were added in the last fiscal year. The number of subscribers accounts for 63% of residential phone lines in Indiana, up from 44% in 2002.

Explanation of State Revenues: The Division charges a \$750 fee for a copy of the do-not-call list. If additional copies of the list are requested, the Division would experience an increase in fee revenue, which is deposited in the Telephone Solicitation Fund.

The Fund also receives revenue from civil penalties assessed for telephone solicitors calling numbers included on the do-not-call list. This bill increases the potential for violations to occur. A telephone solicitor may be assessed a penalty of up to \$10,000 for the first violation and up to \$25,000 for subsequent violations.

In FY 2004, the fee for a copy of the list and penalties generated \$452,170. If the Telephone Solicitation Fund exceeds \$200,000 at the end of a fiscal year, the excess is transferred to the General Fund.

Court Fee Revenue: If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected: Consumer Protection Division, Attorney General's Office.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources: 11 IAC 2-6; Indiana Auditor of State Budget Revenue Trial Balance; Attorney General's FY 2004 Report on the Telephone Privacy List to the Regulatory Flexibility Committee.

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